IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION

PROMED, LLC,

Plaintiff,

S

VS.

Civil Action No. 3:23-CV-2023-D

QUINTAIROS PRIETO WOOD

& BOYER, P.A.,

Defendant.

S

Defendant.

MEMORANDUM

The court is awarding prejudgment interest in the judgment filed today based on the following authorities and reasoning.

The court's jurisdiction is based on diversity of citizenship. When a case is based on diversity jurisdiction, "the recovery of interest prior to the date of judgment as an element of damages is a substantive question controlled by [the] state law' governing the claim giving rise to the damages." *Wood v. Armco, Inc.*, 814 F.2d 211, 213 n.2 (5th Cir. 1987) (alteration in original) (quoting *Colonial Refrigerated Transp., Inc. v. Mitchell*, 403 F.2d 541, 552 (5th Cir. 1968)). Because the breach of contract claim of plaintiff ProMED, LLC ("ProMED") is governed by Alabama law, the court looks to Alabama law to determine how the award of prejudgment interest is calculated.

Under Alabama law, "[w]here no written contract controls the interest rate . . . the legal rate of pre-judgment interest is six percent per annum." *Rhoden v. Miller*, 495 So. 2d 54, 58 (Ala. 1986) (citations omitted). "In Alabama, prejudgment interest accrues on a breach of contract claim at a rate of 6% per annum from the date of the breach." *Galbreath v. Hale Cnty., Ala. Comm'n*, 2017 WL 11444386, at *3 (S.D. Ala. Aug. 14, 2017) (citing *Nationwide Mut. Ins. Co. v. Nall's Newton*

Tire, 2015 WL 8207478, at *3 (S.D. Ala. Dec. 7, 2015)), *aff'd*, 754 Fed. Appx. 820 (11th Cir. 2018). Defendant Quintairos Prieto Wood & Boyer, P.A. breached the escrow agreement on July 31, 2020. Accordingly, the judgment entered in this case awards plaintiff ProMED prejudgment interest on the sum of \$900,000 at the rate of 6% per annum beginning on July 31, 2020.

March 27, 2025.

IDNEY A. FITZWA

SENIOR JUDGE